

432.1B Health maintenance organization — medical assistance program — premium tax.

1. Pursuant to [section 514B.31, subsection 3](#), a health maintenance organization contracting with the department of health and human services to administer the medical assistance program under [chapter 249A](#), shall pay as taxes to the director of the department of revenue for deposit in the Medicaid managed care organization premiums fund created in [section 249A.13](#), an amount equal to two and one-half percent of the premiums received and taxable under [section 514B.31, subsection 3](#).

2. Except as provided in [subsection 3](#), the premium tax shall be paid on or before March 1 of the year following the calendar year for which the tax is due. The commissioner of insurance may suspend or revoke the license of a health maintenance organization subject to the premium tax in [subsection 1](#) that fails to pay the premium tax on or before the due date.

3. *a.* Each health maintenance organization transacting business in this state that is subject to the tax in [subsection 1](#) shall remit on or before June 1, on a prepayment basis, an amount equal to one-half of the health maintenance organization's premium tax liability for the preceding calendar year.

b. In addition to the prepayment amount in paragraph "a", each health maintenance organization subject to the tax in [subsection 1](#) shall remit on or before August 15, on a prepayment basis, an additional one-half of the health maintenance organization's premium tax liability for the preceding calendar year.

c. The sums prepaid by a health maintenance organization under paragraphs "a" and "b" shall be allowed as credits against the health maintenance organization's premium tax liability for the calendar year during which the payments are made. If a prepayment made under [this subsection](#) exceeds the health maintenance organization's annual premium tax liability, the excess shall be allowed as a credit against the health maintenance organization's subsequent prepayment or tax liabilities under [this section](#). The commissioner of insurance shall authorize the department of revenue to make a cash refund to a health maintenance organization, in lieu of a credit against subsequent prepayment or tax liabilities under [this section](#), if the health maintenance organization demonstrates the inability to recoup the funds paid via a credit. The commissioner of insurance shall adopt rules establishing a health maintenance organization's eligibility for a cash refund, and the process for the department of revenue to make a cash refund to an eligible health maintenance organization from the Medicaid managed care organization premiums fund created in [section 249A.13](#). The commissioner of insurance may suspend or revoke the license of a health maintenance organization that fails to make a prepayment on or before the due date under [this subsection](#).

d. [Sections 432.10](#) and [432.14](#) are applicable to premium taxes due under [this section](#).

2023 Acts, ch 158, §4

Referred to in [§249A.13](#), [514B.31](#)

NEW section